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September 11, 2002

OF COUNSEL WILLIAM G. CONLY

> Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

> > Re: <u>APPLICATION FOR PUBLIC HEARING</u>

Liebusella 21 Zone, Reservoir B, GRAND BAYOU FIELD, Assumption Parish, Louisiana.

Dear Sir:

PETRO-HUNT, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Liebusella 21 Zone, Reservoir B, in the Grand Bayou Field, Assumption Parish, Louisiana:

- 1. To establish rules and regulations governing the exploration for and production of oil and gas from the Liebusella 21 Zone, Reservoir B.
- 2. To create a single drilling and production unit for the exploration for and production of oil and gas from the Liebusella 21 Zone, Reservoir B, such unit being shown on the attached plat and being designated LIEB 21 RB SUA.
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 4. To designate Applicant as Operator of, and its Ramos Investments Co. et al. No. 1 Well, as the unit well for, the proposed unit.
- 5. To propose that all wells drilled in the future to the Liebusella 21 Zone outside of the unit proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.
- 6. To provide that the Commissioner of Conservation may reclassify the reservoir by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.
- 7. To define the Liebusella 21 Zone, Reservoir B, in the Grand Bayou Field, as that oil and gas bearing interval encountered between the measured depths of 16,569 feet and 18,580 feet in the Petro-Hunt, L.L.C.--Ramos Investments Co. et al. No. 1 Well (formerly R. Crocket No. 1 Well), located in Section 50, Township 12 South, Range 13 East, Assumption Parish, Louisiana.
 - 8. To consider such other matters as may be pertinent.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216.

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Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated August 15, 2002, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a preapplication conference with respect to Applicant's proposals was thereafter held beginning at 1:30 o'clock p.m. on September 9, 2002, in Baton Rouge, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

On behalf of Applicant, Mr. David Smelley explained the purpose of the conference after which Mr. Louis Gilbert presented the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant. No counterplan was presented to the proposals of Applicant, although certain parties indicated that they wished to reserve their rights to do so. Thereafter, the conference was adjourned.

Attached hereto is a plat outlining Applicant's proposed unit, which plat is identical to that attached to the pre-application notice except for the change of certain tract names which was requested at the conference. Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Grand Bayou Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the

application fee.

David L. Smelley

ours very truly

Attorney for Petro-Hunt, L.L.C.

DLS:dp Enclosures

cc: Mr. Richard D. Hudson (w/encl.)

Mr. John Durham (w/encl.) Mr. Louis Gilbert (w/encl.)

Interested Owners, Represented Parties and Interested Parties (w/plat and list of conference attendees only)

